

**The CMS Quarterly Provider Update
January 2003**

What's New

If you do not want to check this page daily, but want to be informed when other items have been added to this page, [sign up for The CMS-QPU Listserv](#). An e-mail message will be sent periodically throughout the quarter as regulations and program instructions are added to the CMS Quarterly Provider Update.

03/28/2003

REGULATIONS PUBLISHED

CMS-1230-N, entitled "Medicare Program; Update of Ambulatory Surgical Center List of Covered Procedures Effective July 1, 2003," was published. This regulation is a Meeting Notice.

[View CMS-1230-N](#)

CMS-1474-N, entitled "Medicare Program; Town Hall Meeting on the Inpatient Rehabilitation Facility Prospective Payment System," was published. This regulation is a Meeting Notice.

[View CMS-1474-N](#)

CMS-1885-FC, entitled "Medicare Program; Update of Ambulatory Surgical Center List of Covered Procedures Effective July 1, 2003," was published. This regulation affects Ambulatory Surgical Centers.

[View CMS-1885-FC](#)

CMS-6012-N5, entitled "Medicare Program; Negotiated Rulemaking Committee on Special Payment Provisions and Requirements for Prosthetics and Certain Custom-Fabricated Orthotics; Meeting Announcement," was published. This regulation is a Meeting Notice.

[View CMS-6012-N5](#)

CMS-9016-N, entitled "Quarterly Listing of Program Issuances-October 2002 Through December 2002," was published. This regulation affects All Providers.

[View CMS-9016-N](#)

INSTRUCTIONS RELEASED -- MID-QUARTER

Transmittal AB-03-037, entitled "Provider Education Article: Medicare Payments for Part B Mental Health Services," was released. This instruction affects Physicians and Non-Physician Practitioners.

[View the complete text of Transmittal AB-03-037](#) (PDF - 151 KB)

Transmittal AB-03-040, entitled "Provider Education Article: "Hospice Care Enhances Dignity and Peace As Life Nears Its End"," was released. This instruction affects Hospitals, Physicians, and Skilled Nursing Facilities.

[View the complete text of Transmittal AB-03-040](#) (PDF - 142 KB)

INSTRUCTIONS RELEASED -- CLARIFICATION AND/OR CORRECTION

Transmittal 1878 of the Intermediary Manual: Part 3 - Claims Process, entitled "Section 3615.7, Intestinal and Multi-Visceral Transplants," was released. This instruction affects Hospitals.

[View the complete text of Transmittal 1878](#) (PDF - 226 KB)

Transmittal AB-03-038, entitled "Reporting Benefit Integrity (BI) Workload in CROWD," was released. This instruction affects All Providers.

[View the complete text of Transmittal AB-03-038](#) (PDF - 80.5 KB)

Transmittal AB-03-039, entitled "Procedure for Granting Extensions to File Requests for Appeal Under the New 120-day Timeframe Created by §521 of the Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act (BIPA) of 2000," was released. This instruction affects Ambulances, Clinical Diagnostic Laboratories, Durable Medical Equipment, Prosthetics, Orthotics and Supplies, Independent Diagnostic Testing Facilities, Non-Physician Practitioners, Outpatient Physical Therapy, and Physicians.

[View the complete text of Transmittal AB-03-039](#) (PDF - 95 KB)

03/14/2003

INSTRUCTIONS RELEASED -- MID-QUARTER

Transmittal B-03-021, entitled "Provider Education Regarding Home Health Consolidated Billing (HH CB) and Provider Liability," was released. This instruction affects Non Physician Practitioners and Outpatient Physical Therapy.

[View the complete text of Transmittal B-03-021](#) (PDF - 154 KB)

Transmittal A-03-019, entitled "Reactivation of Outpatient Prospective Payment System (OPPS) Outpatient Code Editor (OCE) Edit 15, "Service Unit Out Of Range" and Guidance on Editing for Low Osmolar Contrast Media (LOCM) Procedures," was released. This instruction affects Skilled Nursing Facilities.

[View the complete text of Transmittal A-03-019](#) (PDF - 126 KB)

03/07/2003

REGULATIONS PUBLISHED

CMS-1177-F2, entitled "Medicare Program; Prospective Payment System for Long-Term Care Hospitals: Implementation and FY 2003 Rates; Correcting Amendment," was published. This regulation affects Hospitals.

[View CMS-1177-F2](#)

CMS-1472-P, entitled "Medicare Program; Prospective Payment System for Long-Term Care Hospitals: Proposed Annual Payment Rate Updates and Policy Changes," was published. This regulation affects Hospitals.

[View CMS-1472-P](#)

03/05/2003

REGULATION PUBLISHED

CMS-1243-P, entitled "Medicare Program; Proposed Change in Methodology for Determining Payment for Extraordinarily High-Cost Cases (Cost Outliers) Under the Acute Care Hospital Inpatient Prospective Payment System," was published. This regulation affects Hospitals.

[View CMS-1243-P](#)

03/03/2003

INSTRUCTION RELEASED

Transmittal AB-03-035, entitled "Emergency Changes to the 2003 Medicare Physician Fee Schedule Database," was released. This instruction affects Physicians.

[View the complete text of Transmittal AB-03-035](#) (PDF - 92.9 KB)

02/28/2003

REGULATIONS PUBLISHED

CMS-1204-F2, entitled "Medicare Program; Physician Fee Schedule Update for Calendar Year 2003," was published. This regulation affects Physicians.

[View CMS-1204-F2](#)

CMS-1225-GNC, entitled "Medicare Program; Criteria and Standards for Evaluating Intermediary, Carrier, and Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Regional Carrier Performance During Fiscal Year 2003," was published. This regulation affects Durable Medical Equipment, Prosthetics, Orthotics and Supplies.

[View CMS-1225-GNC](#)

CMS-1245-N, entitled "Medicare Program; Request for Nominations to the Advisory Panel on Ambulatory Payment Classifications (APCs)," was published. This regulation is a Meeting Notice.

[View CMS-1245-N](#)

CMS-2165-N, entitled "Medicaid Program; Infrastructure Grant Program To Support the Competitive Employment of People with Disabilities," was published. This regulation affects Medicaid.

[View CMS-2165-N](#)

CMS-3099-N, entitled "Medicaid Program; Annual Review of the Appropriateness of Payment Amounts for New Technology Intraocular Lenses (NTIOLs) Furnished by Ambulatory Surgical Centers (ASCs)," was published.

This regulation affects Ambulatory Surgical Centers.

[View CMS-3099-N](#)

CMS-5002-N, entitled "Medicare Program; Demonstration: Capitated Disease Management for Beneficiaries with Chronic Illnesses," was published. This regulation affects Medicare+Choice.

[View CMS-5002-N](#)

INSTRUCTIONS RELEASED

Transmittal AB-03-027, entitled "Payment Change for the 2003 Medicare Physician Fee Schedule (MPFS) and Further Extension of the 2003 Participation Enrollment Process," was released. This instruction affects Physicians.

[View the complete text of Transmittal AB-03-027](#) (PDF - 104 KB)

Transmittal 19 of the Medicare Managed Care Manual, entitled "Chapter 15, Intermediate Sanctions," was released. This instruction affects Medicare+Choice.

[View the complete text of Transmittal 19](#) (PDF - 87.2 KB)

INSTRUCTIONS RELEASED -- MID-QUARTER

Transmittal AB-03-031, entitled "Addition or Modification of Temporary "K" Codes and Change in Status for Code A4232," was released. This instruction affects Durable Medical Equipment, Prosthetics, Orthotics and Supplies, and Skilled Nursing Facilities.

[View the complete text of Transmittal AB-03-031](#) (PDF - 74.8 KB)

Transmittal AB-03-030, entitled "Changes to the Laboratory National Coverage Determination (NCD) Edit Software for April 1, 2003," was released. This instruction affects Clinical Diagnostic Laboratories, Federally Qualified Health Centers, Hospitals, Physicians, and Rural Health Clinics.

[View the complete text of Transmittal AB-03-030](#) (PDF - 102 KB)

INSTRUCTIONS RELEASED -- CLARIFICATION AND/OR CORRECTION

Transmittal 65 of the Hospice Manual, entitled "Section 230.3, Special Coverage Requirements," was released. This instruction affects Hospices.

[View the complete text of Transmittal 65](#) (PDF - 80.7 KB)

Transmittal A-03-016, entitled "Continuous Home Care Under Medicare Hospice," was released. This instruction affects Hospices.

[View the complete text of Transmittal A-03-016](#) (PDF - 97.4 KB)

Transmittal A-03-017, entitled "Payment for Services To Be Paid on a Fee Schedule But For Which There Is No Price--ACTION," was released. This instruction affects Skilled Nursing Facilities.

[View the complete text of Transmittal A-03-017](#) (PDF - 87.2 KB)

Transmittal AB-03-032, entitled "File Names, Descriptions and Instructions for Retrieving the 2003 Ambulatory Surgical Center (ASC) HCPCS Additions,

Deletions and Master Listing," was released. This instruction affects Ambulatory Surgical Centers.

[View the complete text of Transmittal AB-03-032](#) (PDF - 116 KB)

02/20/2003

REGULATIONS PUBLISHED

CMS-0003-F/CMS-0005-F, entitled "Health Insurance Reform: Modifications to Electronic Data Transaction Standards and Code Sets," was published. This regulation affects All Providers.

[View CMS-0003-F/CMS-0005-F](#)

CMS-0049-F, entitled "Health Insurance Reform: Security Standards," was published. This regulation affects All Providers.

[View CMS-0049-F](#)

02/14/2003

INSTRUCTION RELEASED -- MID-QUARTER

Transmittal AB-03-021, entitled "Additional Documentation Requests (ADR) Requirements for Ordering Providers of Laboratory Services," was released. This instruction affects Clinical Diagnostic Laboratories and Physicians.

[View the complete text of Transmittal AB-03-021](#) (PDF - 136 KB)

02/11/2003

INSTRUCTION RELEASED

Transmittal AB-03-019, entitled "Notice of Interest Rate for Medicare Overpayments and Underpayments," was released. This instruction affects All Providers.

[View the complete text of Transmittal AB-03-019](#) (PDF - 74.1 KB)

02/10/2003

REGULATIONS PUBLISHED

CMS-1126-P, entitled "Medicare Program; Provider Bad Debt Payment," was published. This regulation affects All Providers.

[View CMS-1126-P](#)

CMS-1206-CN2, entitled "Medicare Program; Changes to the Hospital Outpatient Prospective Payment System and Calendar Year 2003 Payment Rates; and Changes to Payment Suspension for Unfiled Cost Reports; Correction," was published. This regulation affects Hospitals.

[View CMS-1206-CN2](#)

CMS-4051-N, entitled "Medicare Program; Renewal of the Advisory Panel on Medicare Education (APME) and Notice of Meeting of the Advisory Panel on February 27, 2003," was published. This regulation is a Meeting Notice.

[View CMS-4051-N](#)

02/07/2003

INSTRUCTIONS RELEASED -- CLARIFICATION AND/OR CORRECTION

Transmittal A-03-009, entitled "Medical Nutrition (MNT) Services for Beneficiaries with Diabetes or Renal Disease - Correction," was released. This instruction affects Hospitals.

[View the complete text of Transmittal A-03-009](#) (PDF - 72.9 KB)

02/03/2003

INSTRUCTIONS RELEASED -- MID-QUARTER

Transmittal 797 of the Hospital Manual, entitled "Reinstatement of Hepatitis B Vaccine Codes," was released. This instruction affects Hospitals.

[View the complete text of Transmittal 797](#) (PDF - 89.2 KB)

Transmittal 1874 of the Intermediary Manual: Part 3 - Claims Process, entitled "Reinstatement of Hepatitis B Vaccine Codes," was released. This instruction affects Hospitals.

[View the complete text of Transmittal 1874](#) (PDF - 91.2 KB)

Transmittal 1788 of the Carrier Manual: Part 3 - Claims Process, entitled "Reinstatement of Hepatitis B Vaccine Codes," was released. This instruction affects Hospitals.

[View the complete text of Transmittal 1788](#) (PDF - 90.1 KB)

Transmittal AB-03-012, entitled "Remittance Advice Remark and Reason Code Update," was released. This instruction affects All Providers.

[View the complete text of Transmittal AB-03-012](#) (PDF - 119 KB)

Transmittal AB-03-013, entitled "New Waived Tests - December 17, 2002," was released. This instruction affects Clinical Diagnostic Laboratories.

[View the complete text of Transmittal AB-03-013](#) (PDF - 119 KB)

01/24/2003

REGULATIONS PUBLISHED

CMS-2015-F, entitled "Medicaid Program; External Quality Review the complete text of of Medicaid Managed Care Organizations," was published. This regulation affects Medicaid and Medicare+Choice.

[View CMS-2015-F](#)

CMS-2177-PN, entitled "Medicare and Medicaid Programs; Application by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) for Hospices," was published. This regulation affects Hospices.

[View CMS-2177-PN](#)

CMS-2226-F, entitled "Medicare, Medicaid, and CLIA Programs; Laboratory Requirements Relating to Quality Systems and Certain Personnel Qualifications," was published. This regulation affects Independent Diagnostic Facilities and Clinical Diagnostic Laboratories.

[View CMS-2226-F](#)

CMS-3050-F, entitled "Medicare and Medicaid Programs; Hospital Conditions

of Participation: Quality Assessment and Performance Improvement," was published. This regulation affects Hospitals.

[View CMS-3050-F](#)

CMS-3113-N, entitled "Medicare Program; Meeting of the Medicare Coverage Advisory Committee on March 12, 2003," was published. This regulation is a Meeting Notice.

[View CMS-3113-N](#)

CMS-6012-N4, entitled "Medicare Program; Negotiated Rulemaking Committee on Special Payment Provisions and Requirements for Prosthetics and Certain Custom-Fabricated Orthotics; Meeting Announcement," was published. This regulation is a Meeting Notice.

[View CMS-6012-N4](#)

INSTRUCTIONS RELEASED -- CLARIFICATION AND/OR CORRECTION

Transmittal AB-03-007, entitled "Second Clarification of Medicare Policy Regarding the Implementation of the Ambulance Fee Schedule," was released. This instruction affects Ambulances.

[View the complete text of Transmittal AB-03-007](#) (PDF - 130 KB)

Transmittal B-03-002, entitled "DMERCs - VIPS Medicare System (VMS) Implementation to Process ICD-9 CM Codes Using Date of Service and Not Date of Receipt," was released. This instruction affects Durable Medical Equipment, Prosthetics, Orthotics and Supplies.

[View the complete text of Transmittal B-03-002](#) (PDF - 61.8 KB)

INSTRUCTION RELEASED -- MID-QUARTER

Transmittal 1872 of the Intermediary Manual: Part 3 - Claims Process, entitled "Prospective Payment for Outpatient Rehabilitation Services and the Financial Limitation," was released. This instruction affects Comprehensive Outpatient Rehabilitation Facilities, Hospitals, Non-Physician Practitioners, Outpatient Physical Therapy, Physicians, and Skilled Nursing Facilities.

[View the complete text of Transmittal 1872](#) (PDF - 112 KB)

Transmittal 1787 of the Carriers Manual: Part 3 - Claims Process, entitled "Section 15021, Ordering Diagnostic Tests and Section 15022, Payment Conditions for Radiology Services," was released. This instruction affects Independent Diagnostic Testing Facilities, Physicians, and Skilled Nursing Facilities.

[View the complete text of Transmittal 1787](#) (PDF - 118 KB)

Transmittal AB-03-006, entitled "April Quarterly Update for 2003 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule," was released. This instruction affects Durable Medical Equipment, Prosthetics, Orthotics and Supplies.

[View the complete text of Transmittal AB-03-006](#) (PDF - 93.3 KB)

01/17/2003

INSTRUCTIONS RELEASED -- MID-QUARTER

Transmittal A-03-003, entitled "January Outpatient Code Editor (OCE) Specifications Version (V4.0)," was released. This instruction affects Community Mental Health Centers, Comprehensive Outpatient Rehabilitation Facilities, Federally Qualified Health Centers, Home Health Agencies, Hospices, Outpatient Physical Therapy, Renal Dialysis/ESRD Facilities, and Rural Health Clinics.

[View the complete text of Transmittal A-03-003](#) (PDF - 1.46 MB)

Transmittal A-03-004, entitled "Calculating Provider-Specific Medicare Outpatient Cost-to-Charge Ratios (CCRs) and Instructions on Cost Report Treatment of Hospital Outpatient Services Paid on a Reasonable Cost Basis," was released. This instruction affects Community Mental Health Centers and Hospitals.

[View the complete text of Transmittal A-03-004](#) (PDF - 123 MB)

Transmittal B-03-001, entitled "Emergency Update to the 2003 Medicare Physician Fee Schedule Database," was released. This instruction affects Non-Physician Practitioners, Physicians, and Skilled Nursing Facilities.

[View the complete text of Transmittal B-03-001](#) (PDF - 195 MB)

01/10/2003

REGULATION PUBLISHED

CMS-3047-F, entitled "Medicare and Medicaid Programs; Fire Safety Requirements for Certain Health Care Facilities," was published. This regulation affects Ambulatory Surgical Centers, Hospices, Hospitals, and Religious Non-Medical Health Care Institutions.

[View CMS-3047-F](#)

INSTRUCTIONS RELEASED -- MID-QUARTER

Transmittal 166 of the Coverage Issues Manual, entitled "Multiple-Seizure Electroconvulsive Therapy," was released. This instruction affects Community Mental Health Centers, Hospitals, and Physicians.

[View the complete text of Transmittal 166](#) (PDF - 87.1 KB)

Transmittal AB-03-002, entitled "Quarterly Update of HCPCS Codes Used for Home Health Consolidated Billing Enforcement," was released. This instruction affects Comprehensive Outpatient Rehabilitation Facilities, Durable Medical Equipment, Prosthetics, Orthotics and Supplies, Home Health Agencies, Hospitals, Non-Physician Practitioners, Outpatient Physical Therapy, and Physicians.

[View the complete text of Transmittal AB-03-002](#) (PDF - 87 KB)

Transmittal AB-03-003, entitled "Noncoverage of Multiple Electroconvulsive Therapy (MECT)," was released. This instruction affects Community Mental Health Centers, Hospitals, and Physicians.

[View the complete text of Transmittal AB-03-003](#) (PDF - 80.9 KB)

INSTRUCTION RELEASED -- CLARIFICATION AND/OR CORRECTION

Transmittal A-03-002, entitled "Installation of Version 28.0 Add-On of the Provider Statistical and Reimbursement (PS&R) Report," was released. This instruction affects Community Mental Health Centers, Comprehensive Outpatient Rehabilitation Facilities, Home Health Agencies, Hospitals, Outpatient Physical Therapy, and Skilled Nursing Facilities.

[View the complete text of Transmittal A-03-002](#) (PDF - 79 KB)

01/03/2003

INSTRUCTION RELEASED -- MID-QUARTER

Transmittal A-02-129, entitled "2003 Update of the Hospital Outpatient Prospective Payment System (OPPS)," was released. This instruction affects Community Mental Health Centers, Comprehensive Outpatient Rehabilitation Facilities, Home Health Agencies, and Hospitals.

[View the complete text of Transmittal A-02-129](#) (PDF - 256 KB)

01/01/2003

INSTRUCTION RELEASED -- MID-QUARTER

Transmittal 17 of the Medicare Managed Care Manual, entitled "Cost-Based Payment (Subchapters A - C)," was released. This instruction affects Medicare+Choice.

[View the complete text of Transmittal 17](#) (PDF - 130 KB)

01/01/2003

****NEW RELEASE - JANUARY 2003**

The January 2003 issue of the CMS Quarterly Provider Update (QPU) was released.

[View the complete text of the January 2003 QPU](#)

[View the complete text of the QPU Archive](#)

12/31/2002

REGULATION PUBLISHED

CMS-1204-FC, entitled "Revisions to Payment Policies Under the Physician Fee Schedule for Calendar Year 2003 and Inclusion of Registered Nurses in the Personnel Provision of the Critical Access Hospital Emergency Services Requirement for Frontier Areas and Remote Locations; Final Rule," was published. This regulation affects Skilled Nursing Facilities.

[View CMS-1204-FC](#)